

Message Text

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SUBJECT: NATIONALIZATION CLAIM OF RICHARD STEIN ESTATE

REF: A) STATE 119941, B) BUDAPEST 1863, C) STATE 112742

1. SUMMARY: CHARGE AND ECONOFF MET WITH DR. AKAR OF MINISTRY OF FINANCE MAY 16 TO DISCUSS STEIN CLAIM. AKAR MAINTAINED PREVIOUS GOH POSITION THAT HUNGARIAN LAW PRECLUDES CONSIDERATION OF DEBT CLAIMS AGAINST NATIONALIZED FIRMS, BUT PROMISED THAT GOH WOULD REPLY DIRECTLY TO ATTORNEY SAMUEL HERMAN. END SUMMARY

2. WILGIS AND ECONOFF LINTON MET WITH DR. LASZLO AKAR ON MAY 16 TO DISCUSS NATIONALIZATION CLAIM OF RICHARD STEIN ESTATE. AKAR OPENED DISCUSSION BY STATING THAT, AS HERMAN HAD PREVIOUSLY BEEN INFORMED, GOH REGULATIONS "AT THE PRESENT TIME" FORECLOSED THE POSSIBILITY OF LEGAL PROCEDURES AGAINST THE GOH FOR DEBT CLAIMS SUCH AS THE STEIN CLAIM (IN SUBSEQUENT CLARIFICATION HE SPECIFIED THAT THE RELEVANT REGULATION IS GOH DECREE NUMBER 13110 OF DECEMBER 24, 1948). THERE IS, ACCORDINGLY, NO GOH AGENCY EMPOWERED TO CONSIDER SUCH A CLAIM. AKAR EXPRESSED IRRITATION THAT HERMAN WAS THREATENING CONGRESSIONAL REPERCUSSIONS, AS USG HAD LIMITED OFFICIAL USE

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PAGE 02 BUDAPE 02156 261020Z

GIVEN UP RIGHT TO ESPOUSE SUCH CLAIMS IN ANNEX D OF 1973 CLAIMS AGREEMENT.

3. IN RESPONSE, WILGIS SPECIFIED THAT EMBASSY WAS NOT ESPOUSING STEIN CLAIM AND DID NOT HAVE FACTS TO MAKE JUDGMENT ON VALIDITY OF CLAIM. ANNEX D DOES, HOWEVER, SPECIFICALLY RECOGNIZE RIGHT OF CLAIMANTS TO PRESENT

CLAIMS (NOR COULD AGREEMENT ABROGATE RIGHT OF U.S. CITIZENS TO APPROACH THEIR CONGRESSIONAL REPRESENTATIVES). THE EMBASSY SIMPLY WISHED TO URGE THE APPROPRIATE HUNGARIAN AUTHORITIES TO RESPOND TO HERMAN'S LETTER IN AN INFORMATIVE MANNER, THUS ESTABLISHING A CHANNEL THROUGH WHICH MR. HERMAN COULD PRESENT CLAIM IN ACCORDANCE WITH ANNEX D.

4. IN ENSUING DISCUSSION, WILGIS RAISED HERMAN'S CONTENTION (REF A PARA 2) THAT SWISS-HUNGARIAN CLAIMS SETTLEMENT AGREEMENT COVERED CLAIMS SIMILAR TO THE STEIN CLAIM. AKAR ACKNOWLEDGED THAT THIS MAY WELL BE TRUE BUT SAID THAT HE WAS NOT IMMEDIATELY FAMILIAR WITH DETAILS OF THIS OR OTHER AGREEMENTS. ASKED WHY HE HAS SPECIFIED THAT STEIN CLAIM COULD NOT BE ENTERTAINED "AT THE PRESENT TIME" (A SIMILAR FORMULATION WAS USED IN THE JULY 12, 1975 LETTER OF THE HUNGARIAN CENTRAL CORPORATION OF BANKING COMPANIES TO MR. HERMAN), AKAR REPLIED THAT THE LAW MIGHT ALWAYS BE CHANGED, BUT THAT HE PERSONALLY DID NOT ANTICIPATE SUCH A CHANGE.

5. COMMENT: EMBASSY IS SENDING WRITTEN REPLY TO HERMAN THROUGH GERTH, EUR/EE. HOPEFULLY EMBASSY SHOW OF INTEREST WILL ENCOURAGE PROMPT AND INFORMATIVE GOH REPLY TO HERMAN, ALTHOUGH PROSPECTS OF POSITIVE RESPONSE APPEAR BLEAK. EMBASSY PLANS NO FURTHER ACTION UNLESS INSTRUCTED BY DEPARTMENT.
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PAGE 03 BUDAPE 02156 261020Z

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